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05/02/73

Lease No. 78736

(Rev. of No. New)

RAILROAD COPY
~~LEASE~~

Railroad Building and Land Lease

THIS INDENTURE, Made this 2nd day of May, A. D. 1973,
by and between the CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COM-
PANY, hereinafter called the "Railroad Company" and POTLATCH FORESTS, INC., a Cor-
poration, with headquarters at Lewiston, Idaho 83501

of hereinafter called the "Lessee."
WITNESSETH:

FIRST: The Railroad Company does hereby lease, demise and let unto the Lessee, the
following described property at the
Station of Avery County of Shoshone State of Idaho
to-wit:

That portion of the Railroad Company's land in Government
Lot 1, Section 16, Township 45 North, Range 5 East, B.M.,
containing an area of 3,000 sq. ft., and being more
particularly shown outlined red on Exhibit X dated
April 16, 1973, attached hereto and made a part hereof.

TOGETHER with the Railroad Company's 18' x 40' building
located thereon.

TO HOLD for the term of one month from the first day of May, 1973,
and thereafter until 30 days after either party shall have given to the other written notice of
its desire to terminate this Indenture; but subject always to the following express conditions, viz:-

1. That the Lessee shall pay as rent for said demised premises at the rate of
TWO HUNDRED FORTY AND NO/100 - - - (\$240.00) - - - DOLLARS
per annum payable \$60.00 quarterly in advance,
together with all taxes and assessments legally levied or assessed against said premises for the
term hereof or of any extension thereof; and in case of special assessments for permanent improve-
ments, the annual rental will be increased by 8% of such assessment, and that it
will contract and pay for the entire expense in connection with heat, light, power and
water used on the demised premises;

2. That the Lessee shall use said premises for employee bunkhouse and for no other purpose
whatsoever, unless the Railroad Company shall consent in writing to a change of user, and that
the Lessee shall comply with all applicable Federal and State laws and regulations and Municipal
Ordinances in respect of the conduct of its business;

3. That the Lessee shall continuously carry on its business upon said premises
in an efficient manner, unless discontinued by written consent of the Railroad Company; that said
premises shall be used and the business thereon conducted, in so far as it may affect the interests
or operations of the Railroad Company, to the approval of its General Manager; and that the
Lessee shall not in any way obstruct or interfere with the tracks of the Railroad Company;

That the property herein demised is leased in its condition at the date hereof; that any and
all facilities, including overhead or underground fixtures, located thereon shall be maintained
and operated as heretofore;

4. That the Lessee shall not store or keep or allow any other person to store or keep, in
any quantity or amount whatsoever, on or within the premises hereby demised, during the con-
tinuance of this Indenture, any article of any kind, which is of an extra hazardous or of a highly
explosive, combustible or inflammable nature;

5. That the Lessee shall keep said premises in a neat and orderly condition, and that no
signs or advertisements of any description shall be permitted to be painted or posted about said
premises, other than those of the business of the Lessee, and as shall be approved by the Rail-
road Company;

USEPA SF
1257998

6. That the Lessee.... shall, at*its*.....own expense, make all repairs to the building hereby leased to*it*..... and that*it*.....shall, at any termination of said lease, quit and surrender said premises in as good condition as the same were in at the time.....*it*.....took possession of same, reasonable wear and tear and damage by the elements only excepted;

7. That the Lessee.... shall not without consent in writing of the Railroad Company, assign this lease or under lease said premises or any part thereof;

8. That any violation of or failure to comply with any foregoing condition shall terminate this lease without any notice or act upon the part of the Railroad Company, and thereupon it may re-enter and take possession of said premises, as by law provided;

9. It is understood that the movement of railroad locomotives includes some risk of fire and the Lessee.... assumes.. all liability for and agree..s to indemnify the Railroad Company against loss or damage to property of the Lessee....or to property upon the Lessee..*s* premises, regardless of railroad negligence, arising from fire caused by locomotives operated by the Railroad Company in the vicinity of said demised premises, except to the premises of the Railroad Company, and to rolling stock belonging to the Railroad Company or to others, and to shipments in the course of transportation;

10. That the Lessee.... hereby release..s the Railroad Company from and agree..s to indemnify it against all loss, damage or injury, caused by or resulting from any act or omission of the Lessee....,*its*.....employees or agents, to the person or property of the parties hereto and their employees, and to the person or property of any other person or corporation, while on or about said demised premises; and if any claim or liability other than from fire shall arise from the joint or concurring negligence of both parties hereto, it shall be borne by them equally;

11. That in any case where the covenants, agreements and releases contained in the two preceding paragraphs shall be held not to be valid in law, the Railroad Company shall have the full benefit of any insurance, effected by the Lessee.... upon the property injured or destroyed.

The parties hereto acknowledge that Exhibit A, containing Paragraphs 11a, 11b, 11c, and 11d, was attached to and made a part of this lease prior to the execution thereof by either party.

The right or interest created by this instrument shall be subject and subordinate to the continuing lien of the First Mortgage dated as of January 1, 1944, executed and delivered by Chicago, Milwaukee, St. Paul and Pacific Railroad Company to Continental Illinois National Bank and Trust Company of Chicago, Trustee, and to the lien of the General Mortgage dated as of January 1, 1944, executed and delivered by Chicago, Milwaukee, St. Paul and Pacific Railroad Company to Harris Trust and Savings Bank, Trustee.

SECOND: The Lessee.... hereby accepts.. the foregoing lease, and covenant..s and agree..s faithfully to observe and perform all the terms, conditions and requirements therein contained, and.....*it*.....further agree..s that.....*it*.....will surrender said demised premises at any termination of this lease, and, on or before the effective date of such termination, completely remove from said premises all property owned or placed therein by.....*it*.....; that failure so to remove all such property shall be conclusively deemed an abandonment thereof to said Railroad Company, thereby waiving all.....*its*.....right, title and interest in and to such abandoned property, and that in such case the Railroad Company shall, from and after the effective date of any such termination, be at full liberty to re-enter and take possession of all the demised premises and, at the sole expense of the Lessee.... to remove therefrom all such property there remaining, and, the Lessee.... hereby binds..*itself*.....to pay unto the Railroad Company promptly upon receipt of bill therefor, the entire cost and expense of such removal; or, at its own sole option, to appropriate and dispose of any such property without any liability or accountability whatever therefor; but nothing herein contained shall preclude the Railroad Company from any other legal remedy.

PROVIDED ALWAYS, That if at any time during the continuance hereof, the said building shall be destroyed or so damaged by fire or the elements as to be untenable, then the lease aforesaid shall cease and terminate, and each party shall be released from further obligations thereunder.

ALL the terms, conditions and covenants of this lease shall, during its continuance, be binding upon the Railroad Company, its successors and assigns, and upon the Lessee.... and.....*its*.... successors and assigns, heirs and legal representatives.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed the day and year first above written.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

E. J. Jackson
WITNESS FOR RAILROAD CO

By *E. J. Jackson*
VICE PRESIDENT
POTLATCH CORPORATION
POTLATCH FORESTS, INC.

ATTEST:

Glenn Rogers
Assistant Secretary

By *J. M. Richards*
Vice President



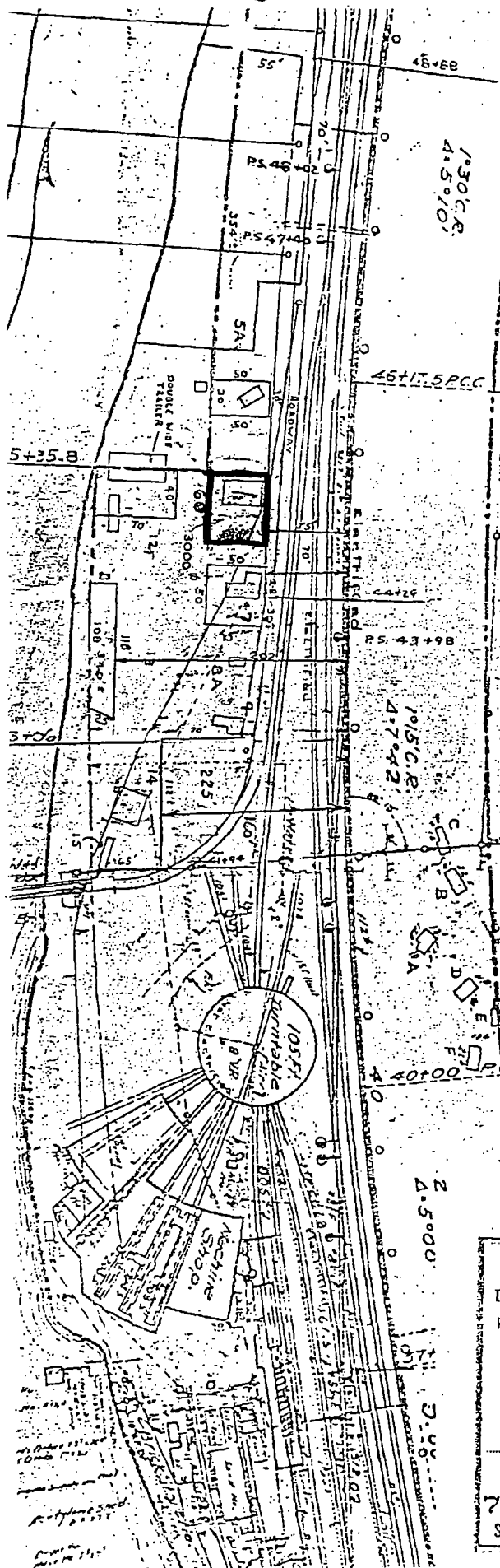
EXHIBIT A

11a. Nothing herein contained shall affect the right of either party to terminate this lease on written notice as herein provided, and in the event of such termination, any unearned rental shall be refunded.

11b. The Lessee shall contract and pay for the maintenance, inspection and servicing of all mechanical, plumbing (within and leading to said building) and electrical equipment (including but not limited to heating, air conditioning, conveyor systems, elevators and motors) located upon the demised premises with such company or companies as may be approved by the Railroad Company and shall furnish copies of such contracts, all inspection reports and annual reports showing all work performed during the preceding year and recommendations for future maintenance.

11c. Regardless of the term herein specified, it is mutually understood and agreed that, unless sooner terminated in accordance with the provisions thereof, this lease shall expire April 30, 1978.

11d. Lessee shall comply with all applicable ordinances, rules, regulations, requirements and laws of any governmental authority controlling environmental standards and conditions on the premises. If, as a result of Lessee's operations hereunder, any such ordinance, rule, regulation, requirement or law is violated, Lessee shall protect, save harmless, defend and indemnify Railroad Company from and against any penalties, fines, costs and expenses, including legal fees and court costs imposed upon or incurred by Railroad Company caused by, resulting from or connected with such violation or violations.



R/W 47-22

DD-811
47+50.5
70'-50" CONC. PIPE

GOV LOT 1

SEC. 16 T.45N. R.5E. B.M.

EXHIBIT-X

C. M. ST. P. & P. RR. CO.

Real Estate, Economic & Resource Development Dept.
PLAT SHOWING PROPERTY TO BE LEASED TO

POTLATCH FORESTS, INC.

Avery	Shoshone	Idaho
TOWN	COUNTY	STATE

SCALE 100 FEET PER INCH

78736

Apr. 16 1973

SEATTLE, WASH.

DATE

LEASE NO. 78735

Chicago, Milwaukee, St. Paul and
Pacific R. R. Co.

TO

RAILROAD BUILDING AND LAND
LEASE

Expires on 60 days' notice after.....

Rental

Payable
HLWP, Taxes,

Repairs

Use

Noted *[Signature]*
Manager - District Security Administration
Chicago, Illinois
12/13

Account No. 510